January 25, 2008

HOUSE BILL No. 1293

DIGEST OF HB 1293 (Updated January 23, 2008 6:47 pm - DI 92)

Citations Affected: IC 6-1.1; IC 6-3.1; IC 6-3.5; IC 36-7; noncode.

Synopsis: Taxation. Establishes a procedure for the submission of a sales disclosure form for a homestead to constitute an application for the homestead credit. In cases where that procedure does not apply, changes the deadline for application for the credit for real property from June 10 to December 31. Provides that the sales disclosure form must include information to allow the form to serve as the homestead credit application. Allows a county auditor to reduce the assessed value used to set tax rates to take into account standard deductions resulting from homestead credit applications filed late in the year. Authorizes the designation of property maintenance areas (PMA) in any municipality. Provides that the fiscal body of a municipality may designate a PMA and provide a certification for qualified expenditures made for certain maintenance activities performed on certain property in a PMA. Provides a state tax credit for taxpayers that have received a certification of qualified expenditures made in a PMA. Requires the department of state revenue and the county auditor to reduce the amount of the municipality's county option income tax allocation by an amount equal to the total amount of income tax credits awarded for property maintenance in the municipality. Allows certain taxpayers to claim interstate commerce exemptions for certain inventory for the 2004, 2005, and 2006 assessment dates by filing amended returns before March 1, 2008. Provides that the amended returns are considered to have been timely filed.

Effective: January 1, 2008 (retroactive); upon passage; July 1, 2008.

GiaQuinta

January 15, 2008, read first time and referred to Committee on Ways and Means.
January 24, 2008, amended, reported — Do Pass.

January 25, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1293

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-5.5-5, AS AMENDED BY P.L.154-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

(1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).

(2) Whether the entire parcel is being conveyed.

(3) The address of the property.

(4) The date of the execution of the form.

(5) The date the property was transferred.

(6) Whether the transfer includes an interest in land or improvements, or both.

(7) Whether the transfer includes personal property.

(8) An estimate of any personal property included in the transfer.

(9) The name, address, and telephone number of:

(A) each transferor and transferee; and

(B) the person that prepared the form.

(10) The mailing address to which the property tax bills or other official correspondence should be sent.

(11) The ownership interest transferred.

(12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).

(13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.

(14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.

(15) Any family or business relationship existing between the transferor and the transferee.

(16) For purposes of application for the homestead credit under IC 6-1.1-20.9-3.5, whether the transferee will reside in the homestead as the transferee's principal place of residence on December 31 of the current calendar year.

(17) The name of any other county and township in which the transferee owns or is buying real property.

~~(16)~~ **(18)** Other information as required by the department of local government finance to carry out this chapter.

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1).

SECTION 2. IC 6-1.1-17-0.5, AS AMENDED BY P.L.154-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

(1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit.

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing unit located in the county, the county auditor may reduce for a calendar year the taxing unit's assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing unit for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing unit's assessed value under this subsection only to enable the taxing unit to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from **either or both of the following:**

(1) Successful appeals of the assessed value of property located in the taxing unit.

(2) Deductions under IC 6-1.1-12-37 that result from the granting of applications for the homestead credit for the calendar year under IC 6-1.1-20.9-3 or IC 6-1.1-20.9-3.5 after the county auditor certifies assessed value as described in this section.

The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount of the reduction in a taxing unit's assessed value for a calendar year under subsection (d) may not exceed ~~the lesser of:~~

~~(1)~~ two percent (2%) of the assessed value of tangible property subject to assessment in the taxing unit in that calendar year. ~~or~~

~~(2) the total amount of reductions in the assessed value of tangible property subject to assessment in the taxing unit that:~~

~~(A) applied for the assessment date in the immediately preceding year; and~~

~~(B) resulted from successful appeals of the assessed value of the property.~~

(f) The amount of a reduction under subsection (d) may not be offered in a proceeding before the:

(1) county property tax assessment board of appeals;

(2) Indiana board; or

(3) Indiana tax court;

as evidence that a particular parcel has been improperly assessed.

SECTION 3. IC 6-1.1-20.9-2, AS AMENDED BY P.L.224-2007, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who ~~on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay~~ **is liable for** the property taxes on ~~the~~ **a** homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

(1) the percentage prescribed in subsection (d); multiplied by

(2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 through 2005	20%
2006	28%
2007 and thereafter	20%

However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the **county** assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under **section 3 or 3.5 of** this chapter. **The county assessor shall update the information not later than January 15 of the immediately succeeding year.**

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 4. IC 6-1.1-20.9-3, AS AMENDED BY P.L.183-2007, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. (a) **Except as provided in section 3.5 of this chapter,** an individual who desires to claim the credit provided by section 2 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement shall include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. With respect to real property, the statement must be filed during the twelve (12) months before ~~June 11~~ **December 31** of the year prior to the first year for which the person wishes to obtain the credit for the homestead. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of the first year for which the individual wishes to obtain the credit. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the credit is allowed.

(b) The certified statement referred to in subsection (a) shall contain the name of any other county and township in which the individual owns or is buying real property.

(c) If an individual who is receiving the credit provided by this chapter changes the use of the individual's real property, so that part or all of that real property no longer qualifies for the homestead credit provided by this chapter, the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use within sixty (60) days after the date of that change. An individual who changes the use of the individual's real property and fails to file the statement required by this subsection is liable for the amount of the credit the individual was allowed under this chapter for that real property.

(d) An individual who receives the credit provided by section 2 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

(1) the individual is the sole owner of the property following the death of the individual's spouse;

(2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or

(3) the individual is awarded sole ownership of property in a divorce decree.

SECTION 5. IC 6-1.1-20.9-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 3.5. (a) A sales disclosure form under IC 6-1.1-5.5:**

(1) that is submitted during a calendar year to the county assessor by the purchaser of a homestead assessed as real property;

(2) that is accurate and complete;

(3) that is stamped by the county assessor as eligible for filing with the county auditor;

(4) that is filed with the county auditor by the purchaser; and

(5) in which the purchaser of the homestead states that the purchaser will reside in the homestead as the purchaser's principal place of residence on December 31 of that calendar year;

constitutes an application for the credit provided by section 2 of this chapter.

(b) Except as provided in subsection (d), if:

(1) the county auditor receives in a calendar year a sales disclosure form that meets the requirements of subsection (a); and

(2) the homestead for which the sales disclosure form is submitted is otherwise eligible for the credit under this chapter;

the county auditor shall apply the credit under this chapter to the homestead for property taxes first due and payable in the immediately succeeding calendar year and in any later year in which the homestead remains eligible for the credit.

(c) A purchaser of a homestead who:

(1) submits a sales disclosure form that meets the requirements of subsection (a); and

(2) does not reside in the homestead as the purchaser's principal place of residence on December 31 as represented under subsection (a)(5);

must file a certified statement with the county auditor notifying the auditor of the information under subdivision (2) not later than fifteen (15) days after December 31. A purchaser to whom this subsection applies who fails to file the statement required by this subsection is liable for the amount of the credit the purchaser was allowed under this chapter for the homestead.

(d) Subsection (b) does not apply if the county auditor, after receiving a sales disclosure form from a purchaser under subsection (a)(4):

(1) receives a statement from the purchaser under subsection (c); or

(2) otherwise determines that the homestead is ineligible for the credit under this chapter.

SECTION 6. IC 6-1.1-20.9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4. (a) The auditor of a county (referred to in this section as the "first county") with whom:

(1) a credit statement is filed under section 3 of this chapter; **or**

(2) a sales disclosure form is filed under section 3.5 of this chapter;

shall immediately prepare and transmit a copy of the statement **or form** to the auditor of any other county (referred to in this section as the "second county") if the individual who claims the credit **or files the form** owns or is buying real property located in the second county.

(b) The county auditor of the second county shall note on the copy of the statement **or form** whether or not the individual has claimed ~~a~~ **the** credit for the current year ~~under section 2 of this chapter~~ for a homestead located in the second county. The auditor shall then return the copy to the auditor of the first county.

SECTION 7. IC 6-1.1-20.9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 5. (a) Each year, the county auditor shall:

(1) place the original copies of all credit statements filed under section 3 of this chapter **and all sales disclosure forms filed under section 3.5 of this chapter** in alphabetical order by townships; and ~~he shall,~~

(2) without regard to townships, place ~~the~~ **any** duplicate copies for the entire county in alphabetical order.

(b) The auditor shall ascertain from the alphabetical files whether or not more than one (1) statement **or sales disclosure form** has been filed by the same individual.

(c) The county auditor may not grant an individual a credit under section 2 of this chapter if:

(1) the individual, for the same year, claims the credit:

(A) on two (2) or more different statements;

(B) by submitting two (2) or more different sales disclosure forms; or

(C) through any combination of statements and sales disclosure forms; and

(2) **as a result** the ~~statements claim the~~ credit **is claimed** for ~~different property.~~ **more than one (1) homestead.**

SECTION 8. IC 6-3.1-32.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 32.5. Property Maintenance Credit

Sec. 1. As used in this chapter, "pass through entity" means:

(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) a partnership;

(3) a limited liability company; or

(4) a limited liability partnership.

Sec. 2. As used in this chapter, "PMA certification" means a certification received from a municipality under IC 36-7-35 for qualified expenditures made on property in a property maintenance area.

Sec. 3. As used in this chapter, "PMA ordinance" means an ordinance adopted by the fiscal body of a municipality under

IC 36-7-35.

Sec. 4. (a) As used in this chapter, "property" means a building or structure:

(1) assessed as real property under IC 6-1.1-4; and

(2) listed in a PMA ordinance.

(b) The term does not include land.

Sec. 5. As used in this chapter, "property maintenance area" means an area established by a municipality under IC 36-7-35-9.

Sec. 6. As used in this chapter, "qualified expenditure" means an expenditure made by a taxpayer for maintenance activities that qualify the taxpayer for a credit under this chapter as determined under a PMA ordinance adopted under IC 36-7-35-9.

Sec. 7. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax), as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 8. As used in this chapter, "taxpayer" means an individual, a corporation, an S corporation, a partnership, a limited liability company, a limited liability partnership, a nonprofit organization, or a joint venture.

Sec. 9. A taxpayer that has received a PMA certification is entitled to a credit against the taxpayer's state tax liability equal the lesser of:

(1) fifty percent (50%) of the qualified expenditures certified in the PMA certification; or

(2) one thousand five hundred dollars ($1,500).

Sec. 10. In the case of a husband and wife who:

(1) own property jointly; and

(2) file separate tax returns;

the husband and wife may take the credit permitted under this chapter in equal shares or one (1) spouse may take the whole credit.

Sec. 11. (a) If a pass through entity is entitled to a credit under this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same maintenance activity.

Sec. 12. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter. The taxpayer shall forward a copy of any information provided to the department of state revenue under this section to the municipality that provided the taxpayer's PMA certification under IC 36-7-35.

Sec. 13. The department shall forward to each municipality that has adopted a PMA ordinance the total amount of all tax credits awarded under this chapter during the taxable year.

Sec. 14. The department may adopt rules under IC 4-22-2 to carry out this chapter.

SECTION 9. IC 6-3.5-6-17, AS AMENDED BY P.L.224-2007, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), ~~and~~ (f), **and (g).** The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution. The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that:

(1) initially imposed the county option income tax; or

(2) increases the county option income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by

(2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

(g) If one (1) or more municipalities in a county have established a property maintenance area under IC 36-7-35, the department shall reduce the county's annual certified distribution by an amount equal to the total amount of credits awarded under IC 6-3.1-32.5 with respect to qualified expenditures certified in a property maintenance area in the county in the preceding calendar year.

~~(g)~~ **(h)** One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

~~(h)~~ **(i)** Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

~~(i)~~ **(j)** All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 10. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made

by the county fiscal body under IC 36-8-15-19(b);
(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
(4) make payments permitted under IC 36-7-15.1-17.5;
(5) make payments permitted under subsection (i);
(6) make distributions of distributive shares to the civil taxing units of a county; and
(7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:
(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and
(2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) **Subject to subsection (j),** the amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:
(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by
(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e) **and subject to subsection (j),** if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

(j) If a municipality in a county has established a property maintenance area under IC 36-7-35, the county auditor shall reduce the municipality's monthly allocation determined under subsection (e) or (g) by an amount equal to the total amount of credits awarded under IC 6-3.1-32.5 with respect to qualified expenditures certified in a property maintenance area in the municipality in the preceding calendar year divided by twelve (12).

SECTION 11. IC 36-7-35 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 35. Property Maintenance Areas

Sec. 1. As used in this chapter, "landlord" has the meaning set forth in IC 32-31-3-3.

Sec. 2. As used in this chapter, "maintenance activity" means the remodeling, repair, or improvement of property as defined by a municipality in a PMA ordinance adopted under section 9 of this chapter.

Sec. 3. As used in this chapter, "PMA certification" means a certification provided under section 9 of this chapter for qualified expenditures made on property in a property maintenance area.

Sec. 4. As used in this chapter, "PMA ordinance" means an ordinance adopted by the fiscal body of a municipality under section 9 of this chapter.

Sec. 5. (a) As used in this chapter, "property" means a building or structure:

(1) assessed as real property under IC 6-1.1-4; and

(2) listed in a PMA ordinance.

(b) The term does not include land.

Sec. 6. As used in this chapter, "property maintenance area" means an area established by a municipality under section 9 of this chapter.

Sec. 7. As used in this chapter, "qualified expenditure" means an expenditure made by a taxpayer for maintenance activities that qualify the taxpayer for a credit under IC 6-3.1-32.5 as determined under a PMA ordinance.

Sec. 8. As used in this chapter, "residentially distressed area" means an area:

(1) that has a significant number of:

(A) dwellings (as defined in IC 6-1.1-20.9-1) within the area that are:

(i) not permanently occupied;

(ii) subject to an order issued under IC 36-7-9; or

(iii) evidencing significant building deficiencies; or

(B) vacant parcels of real property (as defined by IC 6-1.1-1-15); or

(2) that has experienced a net loss in the number of dwellings (as defined in IC 6-1.1-20.9-1).

Sec. 9. The fiscal body of a municipality located in a county that imposes a county option income tax under IC 6-3.5-6 may adopt an ordinance establishing a property maintenance area to provide certification of qualified expenditures on property in the property maintenance area. The ordinance shall be referred to as a PMA

ordinance. The boundaries of a property maintenance area may not exceed five percent (5%) of the total land area of the municipality. The property maintenance area established under this section must be either:

(1) a residentially distressed area; or

(2) an area:

(A) that contains the types of property listed or defined in the PMA ordinance; and

(B) where the median assessed value of each type of property under clause (A) within the property maintenance area does not exceed the median assessed value for that type of property throughout the municipality.

Sec. 10. A PMA ordinance adopted under section 9 of this chapter must be in effect for at least one (1) year and not more than ten (10) years and must include the following:

(1) The geographic boundaries of the property maintenance area.

(2) A list or definition of:

(A) the types of property; and

(B) the maintenance activities;

that may entitle a taxpayer to a credit under IC 6-3.1-32.5.

(3) The eligibility qualifications for a contractor to perform maintenance activities within the property maintenance area.

(4) The criteria for a landlord to be eligible for a PMA certification.

(5) The amount of the qualified expenditures that may be certified under this chapter.

Sec. 11. The list or definition of maintenance activities determined by the municipality under section 10(2) of this chapter may include installing, repairing, or upgrading:

(1) roofing;

(2) siding;

(3) a furnace;

(4) a window or windows;

(5) paint;

(6) a foundation;

(7) electrical wiring; or

(8) plumbing.

Sec. 12. The eligibility qualifications established under section 10(3) of this chapter:

(1) may not prohibit or disallow certification of qualified

expenditures made by the owner of property for maintenance activities performed by the owner on the property if all other requirements and qualifications are satisfied for obtaining a PMA certification under this chapter; and

(2) may require a contractor to submit to the fiscal body of the municipality:

(A) proof that the contractor holds a valid contractor's license;

(B) any complaints filed against the contractor with a better business bureau or a federal, state, or local unit of government; and

(C) financial statements or business plans of the contractor.

Sec. 13. The criteria established under section 10(4) of this chapter must require a landlord to:

(1) report any violations relating to any health or housing codes applicable to any property in which the landlord has an interest;

(2) submit a plan, before receiving a PMA certification under this chapter, to correct all violations reported under subdivision (1); and

(3) repay to the state the amount of any state tax credits awarded under IC 6-3.1-32.5, if the landlord does not correct all violations reported under subdivision (1) within a reasonable time, as determined by the municipality.

Sec. 14. If a person:

(1) makes a qualified expenditure on the person's property in a property maintenance area; and

(2) meets all the other requirements set forth in the PMA ordinance adopted by the municipality where the person's property is located;

the person is entitled to a PMA certification under this chapter.

Sec. 15. If a municipality adopts a PMA ordinance, the municipality shall forward:

(1) to the department of state revenue any information the department determines is necessary to reduce the certified distribution amount determined under IC 6-3.5-6-17 for the county in which the municipality is located; and

(2) to the county auditor of the county in which the municipality is located any information the county auditor determines is necessary to reduce the amount of the municipality's allocation determined under IC 6-3.5-6-18.

SECTION 12. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **IC 6-1.1-17-0.5, IC 6-1.1-20.9-2, IC 6-1.1-20.9-3, IC 6-1.1-20.9-4, and IC 6-1.1-20.9-5, all as amended by this act, and IC 6-1.1-20.9-3.5, as added by this act, apply only to property taxes first due and payable after 2008.**

SECTION 13. [EFFECTIVE JANUARY 1, 2008] **(a) This SECTION applies to a taxpayer notwithstanding the following:**

(1) IC 6-1.1-3-7.5.
(2) IC 6-1.1-10-31.1.
(3) IC 6-1.1-11.
(4) 50 IAC 4.2-2.
(5) 50 IAC 4.2-3.
(6) 50 IAC 4.2-11.
(7) 50 IAC 4.2-12.
(8) 50 IAC 4.2-15-11.
(9) 50 IAC 16.

(b) This SECTION applies:

(1) to an assessment date occurring after December 31, 2003, and before January 1, 2007; and
(2) for property taxes first due and payable after December 31, 2004, and before January 1, 2008.

(c) As used in this SECTION, "taxpayer" refers to a taxpayer who:

(1) filed an original personal property tax return under IC 6-1.1-3-7 for an assessment date described in subsection (b); and
(2) submits for filing, after December 31, 2007, and before March 1, 2008, an amended personal property tax return and a Form 103-W for an assessment date described in subsection (b).

(d) An amended personal property tax return submitted for filing by a taxpayer in person or in any other manner consistent with IC 6-1.1-36-1.5 for an assessment date described in subsection (b):

(1) must be allowed; and
(2) is considered to have been timely filed.

(e) A taxpayer is entitled to the exemptions for tangible personal property claimed on:

(1) Schedule B of the amended returns; and
(2) each Form 103-W filed with the amended returns;

filed under this SECTION.

(f) A notice of increased assessed value issued by a township

assessor with respect to tangible personal property that is subject to an amended return filed under this SECTION is considered withdrawn and nullified.

(g) IC 6-1.1-37-7, IC 6-1.1-37-9, and IC 6-1.1-37-10 do not apply to any additional personal property taxes owed by a taxpayer as the result of filing an amended return under this SECTION.

(h) A taxpayer is not entitled to a refund with respect to an amended return filed by a taxpayer under this SECTION.

(i) This SECTION expires July 1, 2009.

SECTION 14. [EFFECTIVE JULY 1, 2008] **IC 6-3.1-32.5, as added by this act, applies to taxable years beginning after July 1, 2008.**

SECTION 15. **An emergency is declared for this act.**

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1293, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 8, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 8. IC 6-3.1-32.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 32.5. Property Maintenance Credit

Sec. 1. As used in this chapter, "pass through entity" means:

(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) a partnership;

(3) a limited liability company; or

(4) a limited liability partnership.

Sec. 2. As used in this chapter, "PMA certification" means a certification received from a municipality under IC 36-7-35 for qualified expenditures made on property in a property maintenance area.

Sec. 3. As used in this chapter, "PMA ordinance" means an ordinance adopted by the fiscal body of a municipality under IC 36-7-35.

Sec. 4. (a) As used in this chapter, "property" means a building or structure:

(1) assessed as real property under IC 6-1.1-4; and

(2) listed in a PMA ordinance.

(b) The term does not include land.

Sec. 5. As used in this chapter, "property maintenance area" means an area established by a municipality under IC 36-7-35-9.

Sec. 6. As used in this chapter, "qualified expenditure" means an expenditure made by a taxpayer for maintenance activities that qualify the taxpayer for a credit under this chapter as determined under a PMA ordinance adopted under IC 36-7-35-9.

Sec. 7. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax), as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 8. As used in this chapter, "taxpayer" means an individual, a corporation, an S corporation, a partnership, a limited liability company, a limited liability partnership, a nonprofit organization,

or a joint venture.

Sec. 9. A taxpayer that has received a PMA certification is entitled to a credit against the taxpayer's state tax liability equal the lesser of:

(1) fifty percent (50%) of the qualified expenditures certified in the PMA certification; or

(2) one thousand five hundred dollars ($1,500).

Sec. 10. In the case of a husband and wife who:

(1) own property jointly; and

(2) file separate tax returns;

the husband and wife may take the credit permitted under this chapter in equal shares or one (1) spouse may take the whole credit.

Sec. 11. (a) If a pass through entity is entitled to a credit under this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same maintenance activity.

Sec. 12. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter. The taxpayer shall forward a copy of any information provided to the department of state revenue under this section to the municipality that provided the taxpayer's PMA certification under IC 36-7-35.

Sec. 13. The department shall forward to each municipality that has adopted a PMA ordinance the total amount of all tax credits awarded under this chapter during the taxable year.

Sec. 14. The department may adopt rules under IC 4-22-2 to

carry out this chapter.

SECTION 9. IC 6-3.5-6-17, AS AMENDED BY P.L.224-2007, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), ~~and~~ (f), **and (g).** The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution. The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that:

(1) initially imposed the county option income tax; or

(2) increases the county option income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by

(2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

(g) If one (1) or more municipalities in a county have established a property maintenance area under IC 36-7-35, the department shall reduce the county's annual certified distribution by an amount equal to the total amount of credits awarded under

IC 6-3.1-32.5 with respect to qualified expenditures certified in a property maintenance area in the county in the preceding calendar year.

~~(g)~~ **(h)** One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

~~(h)~~ **(i)** Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

~~(i)~~ **(j)** All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 10. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
(2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
(4) make payments permitted under IC 36-7-15.1-17.5;
(5) make payments permitted under subsection (i);
(6) make distributions of distributive shares to the civil taxing units of a county; and
(7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5,

IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) **Subject to subsection (j),** the amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e) **and subject to subsection (j),** if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

(j) If a municipality in a county has established a property maintenance area under IC 36-7-35, the county auditor shall reduce the municipality's monthly allocation determined under subsection (e) or (g) by an amount equal to the total amount of credits awarded under IC 6-3.1-32.5 with respect to qualified expenditures certified in a property maintenance area in the municipality in the preceding calendar year divided by twelve (12).

SECTION 11. IC 36-7-35 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 35. Property Maintenance Areas

Sec. 1. As used in this chapter, "landlord" has the meaning set forth in IC 32-31-3-3.

Sec. 2. As used in this chapter, "maintenance activity" means the remodeling, repair, or improvement of property as defined by a municipality in a PMA ordinance adopted under section 9 of this chapter.

Sec. 3. As used in this chapter, "PMA certification" means a certification provided under section 9 of this chapter for qualified expenditures made on property in a property maintenance area.

Sec. 4. As used in this chapter, "PMA ordinance" means an ordinance adopted by the fiscal body of a municipality under section 9 of this chapter.

Sec. 5. (a) As used in this chapter, "property" means a building or structure:

(1) assessed as real property under IC 6-1.1-4; and

(2) listed in a PMA ordinance.

(b) The term does not include land.

Sec. 6. As used in this chapter, "property maintenance area" means an area established by a municipality under section 9 of this

chapter.

Sec. 7. As used in this chapter, "qualified expenditure" means an expenditure made by a taxpayer for maintenance activities that qualify the taxpayer for a credit under IC 6-3.1-32.5 as determined under a PMA ordinance.

Sec. 8. As used in this chapter, "residentially distressed area" means an area:

(1) that has a significant number of:

(A) dwellings (as defined in IC 6-1.1-20.9-1) within the area that are:

(i) not permanently occupied;

(ii) subject to an order issued under IC 36-7-9; or

(iii) evidencing significant building deficiencies; or

(B) vacant parcels of real property (as defined by IC 6-1.1-1-15); or

(2) that has experienced a net loss in the number of dwellings (as defined in IC 6-1.1-20.9-1).

Sec. 9. The fiscal body of a municipality located in a county that imposes a county option income tax under IC 6-3.5-6 may adopt an ordinance establishing a property maintenance area to provide certification of qualified expenditures on property in the property maintenance area. The ordinance shall be referred to as a PMA ordinance. The boundaries of a property maintenance area may not exceed five percent (5%) of the total land area of the municipality. The property maintenance area established under this section must be either:

(1) a residentially distressed area; or

(2) an area:

(A) that contains the types of property listed or defined in the PMA ordinance; and

(B) where the median assessed value of each type of property under clause (A) within the property maintenance area does not exceed the median assessed value for that type of property throughout the municipality.

Sec. 10. A PMA ordinance adopted under section 9 of this chapter must be in effect for at least one (1) year and not more than ten (10) years and must include the following:

(1) The geographic boundaries of the property maintenance area.

(2) A list or definition of:

(A) the types of property; and

(B) the maintenance activities;

that may entitle a taxpayer to a credit under IC 6-3.1-32.5.

(3) The eligibility qualifications for a contractor to perform maintenance activities within the property maintenance area.

(4) The criteria for a landlord to be eligible for a PMA certification.

(5) The amount of the qualified expenditures that may be certified under this chapter.

Sec. 11. The list or definition of maintenance activities determined by the municipality under section 10(2) of this chapter may include installing, repairing, or upgrading:

(1) roofing;

(2) siding;

(3) a furnace;

(4) a window or windows;

(5) paint;

(6) a foundation;

(7) electrical wiring; or

(8) plumbing.

Sec. 12. The eligibility qualifications established under section 10(3) of this chapter:

(1) may not prohibit or disallow certification of qualified expenditures made by the owner of property for maintenance activities performed by the owner on the property if all other requirements and qualifications are satisfied for obtaining a PMA certification under this chapter; and

(2) may require a contractor to submit to the fiscal body of the municipality:

(A) proof that the contractor holds a valid contractor's license;

(B) any complaints filed against the contractor with a better business bureau or a federal, state, or local unit of government; and

(C) financial statements or business plans of the contractor.

Sec. 13. The criteria established under section 10(4) of this chapter must require a landlord to:

(1) report any violations relating to any health or housing codes applicable to any property in which the landlord has an interest;

(2) submit a plan, before receiving a PMA certification under this chapter, to correct all violations reported under

subdivision (1); and

(3) repay to the state the amount of any state tax credits awarded under IC 6-3.1-32.5, if the landlord does not correct all violations reported under subdivision (1) within a reasonable time, as determined by the municipality.

Sec. 14. If a person:

(1) makes a qualified expenditure on the person's property in a property maintenance area; and

(2) meets all the other requirements set forth in the PMA ordinance adopted by the municipality where the person's property is located;

the person is entitled to a PMA certification under this chapter.

Sec. 15. If a municipality adopts a PMA ordinance, the municipality shall forward:

(1) to the department of state revenue any information the department determines is necessary to reduce the certified distribution amount determined under IC 6-3.5-6-17 for the county in which the municipality is located; and

(2) to the county auditor of the county in which the municipality is located any information the county auditor determines is necessary to reduce the amount of the municipality's allocation determined under IC 6-3.5-6-18.".

Page 8, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 13. [EFFECTIVE JANUARY 1, 2008] **(a) This SECTION applies to a taxpayer notwithstanding the following:**

(1) IC 6-1.1-3-7.5.

(2) IC 6-1.1-10-31.1.

(3) IC 6-1.1-11.

(4) 50 IAC 4.2-2.

(5) 50 IAC 4.2-3.

(6) 50 IAC 4.2-11.

(7) 50 IAC 4.2-12.

(8) 50 IAC 4.2-15-11.

(9) 50 IAC 16.

(b) This SECTION applies:

(1) to an assessment date occurring after December 31, 2003, and before January 1, 2007; and

(2) for property taxes first due and payable after December 31, 2004, and before January 1, 2008.

(c) As used in this SECTION, "taxpayer" refers to a taxpayer who:

(1) filed an original personal property tax return under

IC 6-1.1-3-7 for an assessment date described in subsection (b); and

(2) submits for filing, after December 31, 2007, and before March 1, 2008, an amended personal property tax return and a Form 103-W for an assessment date described in subsection (b).

(d) An amended personal property tax return submitted for filing by a taxpayer in person or in any other manner consistent with IC 6-1.1-36-1.5 for an assessment date described in subsection (b):

(1) must be allowed; and

(2) is considered to have been timely filed.

(e) A taxpayer is entitled to the exemptions for tangible personal property claimed on:

(1) Schedule B of the amended returns; and

(2) each Form 103-W filed with the amended returns;

filed under this SECTION.

(f) A notice of increased assessed value issued by a township assessor with respect to tangible personal property that is subject to an amended return filed under this SECTION is considered withdrawn and nullified.

(g) IC 6-1.1-37-7, IC 6-1.1-37-9, and IC 6-1.1-37-10 do not apply to any additional personal property taxes owed by a taxpayer as the result of filing an amended return under this SECTION.

(h) A taxpayer is not entitled to a refund with respect to an amended return filed by a taxpayer under this SECTION.

(i) This SECTION expires July 1, 2009.

SECTION 14. [EFFECTIVE JULY 1, 2008] **IC 6-3.1-32.5, as added by this act, applies to taxable years beginning after July 1, 2008.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1293 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 15, nays 4.